

REMARKS

The Office Action mailed on June 10, 2003, which finally rejected claims 65, 69, and 76-83, has been reviewed and the comments of the U.S. Patent and Trademark Office have been considered. Claims 65, 69, and 76-83 remain pending and are submitted for reconsideration by the Examiner.

Rejection of Claims 65, 69, and 76-83 under 35 U.S.C. 103(a)

Applicants respectfully assert that pending claims 65, 69, and 76-83 are allowable over the references cited by the Examiner (i.e., U.S. Patent No. 5,966,699 to Zandi and the WWWFinance article) because a *prima facie* case for obviousness has not been established. In order to establish a *prima facie* case for obviousness, three requirements must be met. As quoted from the MPEP §2143: "First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations."

Applicants assert that there is no motivation or suggestion in either reference to combine the teachings of each reference to arrive at the present invention. Zandi does not disclose "generating a non-zero net present value bid" as part of the auction system and method, as set forth in claims 65, 69, and 76. The disclosure in Zandi teaches a system and method for conducting an electronic loan auction. The method of the loan auction in Zandi includes a private Consumer/Borrower filling out an application providing certain financial information and Lenders making offers to the Borrower based on the information the Borrower provided.

Not only is the non-zero net present value bid not disclosed in Zandi, but Zandi is not suggestive or motivating to one reading the disclosure that a net present value (NPV) calculation would be useful in a loan auction. The nature of loans in Zandi is such that an offer for a specified amount of money at a specified interest rate is made (i.e., sent over the Internet to the Borrower). The competition between bids in a loan situation is based on the interest rate over the life of the loan, and the NPV of the bid is irrelevant. The "time value of money" is not an issue in a loan auction situation. There is no need for NPV calculations in a loan auction of this type.

In addition, as described by the Examiner, Zandi does not disclose generation of bids using bidder-specific contexts to generate a common ground on which a bid can be reviewed (the net present value bid), as described in claim 65 and 69. In Zandi, it is the Buyer that sets the parameters for the loan (for example, the term of the loan). The Bidder in Zandi makes an offer based on the parameters defined by the Buyer. Therefore, comparison of the bids is straightforward: each Lender offers a 10 year loan at X% interest. The straightforwardness of the bid comparisons in Zandi obviates the need for the complex NPV calculation to convert each bid into a net present value bid, and as such, it necessarily precludes a *prima facie* case of obviousness.

Since there is no motivation or suggestion in Zandi to combine Zandi with the WWWFinance article, there is no *prima facie* case for obviousness.

Likewise, there is no suggestion or motivation in the WWWFinance article that would lead one reading the article to use the NPV calculation in a complex reverse auction system. The article is limited to a method for computing NPV and the various applications of NPV in business projects. In fact, it does not discuss or suggest use of the NPV calculation in any type of auction system. Because there is no suggestion or motivation in the article to combine it with Zandi, and therefore there is no *prima facie* case for obviousness.

Applicants respectfully submit that the Examiner has not established a *prima facie* case of obviousness and that the rejection under 35 U.S.C. § 103(a) should be withdrawn.

CONCLUSION

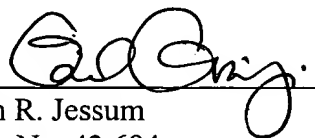
In view of the foregoing amendment and remarks, it is respectfully submitted that pending claims 65, 69, and 76-83 are in condition for allowance. Accordingly, reconsideration and allowance of claims 65, 69, and 76-83 are earnestly solicited.

Furthermore, Applicants submit that no new matter has been introduced into this Response presented herein. The Examiner is invited to contact the undersigned at 215-963-4753 to discuss any matter concerning this Application.

If there are any other fees due in connection with the filing of this response, please charge the fees to our Deposit Account No. 50-0310 (Billing No. 046700-5003). If a fee is required for an extension of time under 37 C.F.R. §1.136 not accounted for above, such an extension is requested and the fee should also be charged to our Deposit Account.

Respectfully submitted,

Date: Oct. 10, 2003

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